

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 6, 2003

LB 283, 285, 379

income tax exemption...extension, which is also in this bill, and includes the cigarette extension, which is also in this bill. So that's \$150 million. Then in this bill, in addition to these items I've already discussed, the one main, big item that we've got to have, we have got to have, is the extension of the LB 1085 5.5 percent sales tax. If we do not do that piece, which is \$180 million, if we do not do that piece, there is no way that we can reach...that we can even begin to approach \$350 million. But there's not even any way we can have a reasonable solution to this. That piece represents so much money that it has to be a part, in my opinion, of any reasonable solution to this problem. So that's the one thing that we definitely need out of LB 285. And then I penciled in what I thought we would...might get out of the alcohol tax and the miscellaneous items that Senator Landis is putting into LB 283, which we've now laid off a day. But should we be able to get that at the level that's in the bill right now, plus the two noncontroversial estate tax items and the repeal of the childcare credit, that total package would be worth \$15 million. Then we'd only need a \$5 million transfer from the Cash Reserve Fund to make the total of \$350 million. Now, I put down below, with that scenario that I've described above, you would have a 3 percent reserve of \$153 million, plus a rainy day fund that's quite substantial at \$112 million. And then I didn't want to not mention LB 379, which is coming shortly, which is the individual income tax restoration, suggesting the restoration not just at LB 1085 levels, but all the way back to the 1996 level. And if you did that all the way back to 1996, that generates \$92 million, which you don't need in the scenario above, unless you want to substitute some measure of income tax for one or more of the pieces up above. And that income tax, you can change it any way you want to raise anywhere between zero and \$92 million. So I call that the leaven, the yeast, the amount necessary to raise the dough, should you be short some money. And that sits there, and that's how I think of that, although some others may think of that as one of the total necessary pieces. In any event, I wanted to remind you again that if we do the \$350 (sic--\$350 million) Appropriations Committee package, we will have, in effect, cut and transferred \$400 million, and raised \$350 million in revenue. So we will have cut and transferred more money than we will have raised by